

WRITTEN QUESTION E-4456/09
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to the Commission

Subject: The role of transparency and regulatory frameworks in balancing markets in agricultural products

The exceptional and unusual instability of the markets in and prices of agricultural products over the last few years is greatly affecting producers' incomes and the very viability of their agricultural holdings at a time when they are faced with the prospect of a redefinition of the Common Agricultural Policy, the new funding period 2014/2020 and the relaunch of negotiations in the World Trade Organisation against the backdrop of a world economic crisis. At the same time as these conditions are posing significant challenges to producers, due to the focus on the competitive operation of the markets, the agrifood chain appears very far from functioning competitively. The Commission itself has recognised the continuing gap between producer and consumer prices, without, however, taking any measures so far to address the situation. Furthermore, it has not sufficiently highlighted the influence of markets in derived, agricultural and other products in determining international prices and the production cost of agricultural goods and the existing instability. These markets, having ceased to serve exclusively their original purpose of managing entrepreneurial risks in the agricultural sector, have to a great extent become markets for investing capital offering the prospect of high returns. As a result, the agricultural sector, both internationally and in the EU, is burdened by the introduction of a new factor of market instability and uncertainty for the producer, the consumer and food safety. The approach so far taken by the EU, namely restricting itself to making adjustments to farmers' incomes, is not enough to address the crisis in the long term. Even if these interventions are absolutely essential, they are inadequate in terms of both quantity and quality. A radical solution to the problem requires a more integrated and decisive approach.

In view of the above, will the Commission combine measures to address market instability with measures to increase transparency and more effectively regulate markets in secondary products and goods? If so, what measures does it intend to take? How will it ensure that account is taken of all international cross-sectoral interactions (for instance, the financial sector) which affect the international markets in agricultural products and thus the EU's agricultural economy?